

REVENUE BILL WIPES OUT THE FREE LIST AND RAISES DUTIES

Measure Passes in House By Big Majority Practically As Originally Reported By Committee But Many Amendments Expected

VOTING OPPOSITION IS WHOLLY REPUBLICAN

Bill Estimated To Raise Tax Receipts of Nearly Two Billion Annually—Luxuries and Swollen Incomes Are Hardest Hit

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—The house by a majority of two hundred and fifty-three, in which the minority was wholly Republican, yesterday passed the administration War Revenue Bill, designed to increase the national revenues by the huge sum of \$1,800,000,000 annually. The division was 329 to 76.

The bill passed in practically the same form as it was when reported unanimously by the committee on ways and means on May 9. Many amendments were proposed and debated, and the objections of scores of delegations of business men and others were heard by the committee, but no substantial amendments were in the measure when it came to the final vote.

SENATE DISAGREES

It is expected that the bill will be re-drafted in the senate, where it is now being considered by the finance committee, and it is not thought that a measure acceptable both to the house and senate will be possible before a month has passed.

The features of the bill as it passed yesterday are the greatly increased taxes imposed upon incomes and inheritances and upon excess profits. The excise duties upon liquors, cigars and other forms of tobacco have been practically doubled.

The radical features of the bill include the abolishment of the free list from the tariff and a flat increase of ten per cent on the existing tariff. New taxes are imposed upon manufacturing industries, upon amusements, upon all social clubs, public utilities and insurance, while there will be a far-reaching stamp tax and greatly increased postal charges upon all second class matter, to be charged according to a zone system, similar to that now in force for parcel post.

MAIN FEATURES OF FAR-REACHING BILL

The bill as reported two weeks ago, in the form which it finally passed, with only minor alterations was designed to raise \$1,800,000,000, to raise which huge total the house committee went into it, after it had been introduced, a flat increase of ten per cent in all existing tariff duties and ten per cent duties on all articles now admitted free, all estimated to bring in \$240,000,000, more than doubling the present tariff revenues.

Income Taxes Retroactive

The income tax increases, applying to both personal and corporate incomes, designed to produce \$533,000,000 more than the present receipts. Most of the new revenue will come from the income, excess profits and inheritance taxes and additional tariff duties, but the levies of the bill would reach into many other sources. Letter mail rates would be increased from two to three cents an ounce and postal cards from one to two cents, while \$19,000,000 would be added to charges against newspapers under a new system based upon the present parcel post zones. Internal revenue taxes upon liquor and tobacco would be increased materially and there would be taxes on amusements and stamp taxes of wide scope.

Income Tax Doubled

The war income tax section would double the present normal tax of two per cent on individuals and three per cent on corporations. It would lower the exemption of individual incomes from \$4,000 to \$2,000 in the case of married persons and from \$3,000 to \$1,000 for the unmarried. In addition, beginning with incomes of \$5,000, graduated surtaxes would be imposed in addition to the normal four per cent, ranging up to thirty-three per cent on all incomes more than half a million dollars a year.

The surtax schedule follows:—

One per cent, from \$5,000 to \$7,500; two per cent, \$7,500 to \$10,000; three per cent, \$10,000 to \$12,500; four per cent, \$12,500 to \$15,000; five per cent, \$15,000 to \$20,000; six per cent, \$20,000 to \$40,000; eight per cent, \$40,000 to \$60,000; eleven per cent, \$60,000 to \$80,000; fourteen per cent, \$80,000 to \$100,000; seventeen per cent, \$100,000 to \$150,000; twenty per cent, \$150,000 to \$200,000; twenty-four per cent, \$200,000 to \$250,000; twenty-eight per cent, \$250,000 to \$300,000; thirty per cent, \$300,000 to \$500,000; and thirty-three per cent on all exceeding \$500,000.

The provisions requiring the normal tax of individuals to be deducted and withheld at the source of income would not apply to the new normal tax prescribed in the bill until after January 1, 1918, and thereafter only to incomes exceeding \$3,000.

BAD WEATHER HOLDS GREAT ARMIES ON THE WESTERN FRONT INACTIVE

FRENCH REST AFTER SUCCESSFUL ATTACKS ON TUESDAY NIGHT, WHEN MANY PRISONERS WERE TAKEN—ITALIANS REGAIN LOST GROUND IN TRENTINO AND BATTER POSITIONS ON THE WAY TO TRIESTE.

(Associated Press By U. S. Naval Communication Service)

NEW YORK, May 24.—Unfavorable weather has brought the fighting on the western front almost to a standstill for the time being and there were no infantry attacks reported yesterday. General Haig has not been able to resume his battering of the few trenches remaining to the Germans of their Hindenburg line, the artillery being almost silenced because of fog and poor visibility, while the airplanes have found scouting a hopeless task.

FRENCH TALLY PRISONERS

The same state of inactivity exists along the French front, although there the artillery on both sides is much more active than it is on the north. The French infantry on the Champagne front took advantage of the bad weather to rest up from the fighting of the night before, when three successful attacks were made against the German lines east of Chevreux, as a result of which several lines of trenches were taken and consolidated and a total of 4400 prisoners were brought in.

ITALIANS REGAIN GROUND

On the Isonzo front in Istria there was an infantry lull yesterday, but the Italian guns kept up an incessant bombardment of the Austrian positions, apparently preparatory to another drive for Trieste.

In the Trentino, after a series of bitter encounters, the Italians succeeded in driving the Austrians out of all the positions in the Traviogio Valley, captured by the offensive on Monday.

A summary of the situation sent out by the Associated Press yesterday afternoon said:

SECOND PHASE ENDED

"The second phase of the great battles of Arras, Aisne and Champagne is now ended. These battles after weeks of severe artillery and infantry fighting, part of which has been like the ebb and flow of the tide, has ended in failure for the costly efforts of the Germans to stem the tide of victory setting against them. The French forces on the west have been unable to hold back the French and British armies which have made steady advances."

"The net result of the Arras-Champagne battle to date and of von Hindenburg's supreme effort to regain the initiative has been that the British and French have tightened their grip on the German line. Their hold, which the Germans are unable to shake, places the Trenton positions in peril."

"The expectation is that the present lull will be broken by a British blow on a big scale against the Drocourt-Queant line."

"Evidence is accumulating that General Fetzin is preparing for a drive on the Aisne-Champagne line."

AMERICAN SOCIALISTS CANNOT BE MADE CATSPAWS OF BY GERMANY

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—Because it is known to the administration that the so-called Socialist peace conference, called to meet in Stockholm, is only a part of the German plan to create dissension in those countries at war with Germany, no American Socialist will be allowed to take part in the conference. This was announced yesterday by Secretary Lansing, who invoked a law passed in 1798, the Logan Act, to enforce his decision.

Under this law, no American citizen is allowed to communicate either orally or in writing with any foreign government on any subject relating to questions of dispute or controversy in which the government of the United States is a party. The state department will not issue any passport to any American Socialist to attend the conference, while if any American at present in Europe attends without a passport he will be liable to punishment under the Logan Act.

Inheritance Tax Changes

In addition to the inheritance tax now in force the bill imposes a tax equal to the following percentages of its value upon the transfer of each net estate:—

One-half of one per cent of the amount in excess of \$50,000, one per cent between \$50,000 and \$150,000, one and one-half per cent \$150,000-\$250,000, two per cent \$250,000-\$450,000, two and one-half per cent \$450,000-\$1,000,000, three per cent \$1,000,000-\$2,000,000, three and one-half per cent \$2,000,000-\$3,000,000, four per cent \$3,000,000-\$4,000,000, four and one-half per cent \$4,000,000-\$5,000,000, five per cent \$5,000,000-\$10,000,000, seven per cent \$10,000,000-\$20,000,000, ten per cent \$20,000,000-\$50,000,000 and fifteen per cent \$50,000,000 and over.

The exemption is lowered from \$50,000 to \$25,000 and a new tax of one per cent levied on estates between \$25,000 and \$50,000. The bill proposes to bring in \$200,000,000 by doubling the present eight per cent tax on excess profits.

Liquor Tax Doubled

On distilled spirits the present tax of \$1.10 a gallon is doubled. To the recipients, tax fifteen cents a gallon is added, and fermented liquors are assessed \$2.75 a barrel, instead of \$1.50. The tobacco tax is doubled, except with regard to cigars, which are graduated from fifty cents to \$10 a thousand, according to weight. Cigarettes, made in or imported into the United States, would be taxed an additional \$1.25 per thousand if weighing less than three pounds a thousand, and 60 cents a thousand if more than three pounds.

Newspapers would be required to pay five per cent on all advertising collections. The second class postage section says:

After June 1 next the zone system applicable to parcel post shall apply to second class mail matter, with rates of postage two cents a pound or fraction when for delivery within the first or second zones; four cents within fourth or fifth, five cents within sixth or seventh, six cents for delivery within the eighth zone. It is provided, however, that postage on daily newspapers when deposited in a letter carrier office for delivery by its carriers shall be the same as at present; copies now entitled free circulation in the mails shall retain that privilege, and the postmaster general may require publishers to separate for zones in mailing. Newspapers mailed to subscribers from an office other than that of publication shall pay the same rate as if from its office. Religious, educational, agricultural, labor or fraternal publications, issued without profit, shall pay one and one-half cents per pound irrespective of zones."

Other Tax Provisions

Other taxes provided in the bill include:—Insurance—Life policies, eight cents

WU TING-FANG NOW PREMIER OF CHINA

Authorized To Form a Cabinet In Favor of Declaration of War With Germany

(Associated Press By U. S. Naval Communication Service)

PEKING, China, May 23.—Wu Ting-fang, minister of foreign affairs, has been appointed acting premier of the Republic by President Li Yuan-hung and empowered to form a new cabinet. This action is expected to end the deadlock in parliament and make possible the declaration of war against Germany which is demanded by the President. A declaration of war has been expected for some time but has been delayed through the obstinate stand of a faction in the lower house of parliament, headed by the Premier, who has been opposed to the declaration of war against Germany since the outbreak of the Boxer outbreak in 1900.

The question of China's participation in the war has been the principal topic of discussion between the members of the government and the ministers representing the various Entente Powers at this capital. A majority in parliament and in the cabinet has long favored an immediate declaration of war against Germany, the principal reason being the desire to join the Entente Powers in the campaign, in the course of which hundreds of Chinese soldiers and sailors have been murdered.

There are a number of issues involved in the negotiations which have been underway between the government and the ministers. In addition to the suspension of the payment of the Boxer indemnity and the revision of the tariff, the Chinese government demands a revision of the Treaty of 1901 in regard to legation guards. Stationing legation guards in Peking began in 1900 as a precaution against a possible recurrence of violence against foreigners in Peking.

In view of the fact that no such possibility exists now, it is a matter of humiliation to the Chinese people, who wish the guards to be withdrawn. Another issue is the reorganization of the Taku forts in Tientsin, dismantled in 1901 after the Boxer outbreak. In the treaty of that year China agreed not to rebuild those forts, but considers their reorganization at this time a necessary means of protection.

As to the question of tariff revision raised some time ago, most of the Powers have shown a conciliatory attitude. Japan, however, has raised a number of objections to the revision of the rate.

Premier Widely Known

Wu Ting-fang, the new premier, is probably the best known man in the Empire, so far as the outside world is concerned. Several years ago he was minister to the United States and is well known in that country, where he is recognized as a diplomat of great ability.

Secretary Lansing says that he does not intend to allow any representative of the United States to become German peace catspaws.

Act and subject to a fine of \$5000 or imprisonment of from three months to six years.

The secretary makes it plain that his action must not be construed as in any way a reflection upon the loyalty of the Socialists of the United States, the decision not to allow American participation in the conference being due wholly to the knowledge possessed by the administration that the whole scheme is only a German trick.

The call for the conference, which came almost contemporaneously with the revolution in Russia, was inspired in Germany, with the object of securing Russian Socialist support to the German plan for a separate peace with Petrograd. The cry of "No annexation!" which was heard in Petrograd and echoed in Berlin was wholly of German origin.

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FIRST WAR LOAN IS OVERSUBSCRIBED

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—So prompt and enthusiastic has been the response of the people of the United States to the government's first appeal for money with which to finance the war against Germany that the lists for subscriptions to the \$200,000,000 short term certificates have been closed two days in advance of the time originally set for them to close.

It is officially announced by the treasury department that the loan has been fifty per cent oversubscribed.

PURCHASING BOARD WITH HUGE POWER

WASHINGTON, May 23.—Plans for the great Allied purchasing board are being prepared to include purchases for the American army and navy. It is estimated that these purchases will total \$2,500,000,000 for the first year of the war.

The plans are tentatively outlined would place a purchasing power of approximately ten billions a year in the hands of the committee.

RED CROSS SENDS OUT HURRY CALL FOR BANDAGES

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—Cables have been received by the American Red Cross from the British Red Cross asking that dressings for the wounds of the thousands now falling at the front be rushed to France at the earliest possible moment. The Red Cross units at the front are practically out of dressings, so great has been the demand in the last few weeks of fierce fighting, and a serious situation is faced by the hospital corps.

The Red Cross has given out the text of the appeal to the American press and has asked that the call be given the widest publicity in order that the various women's organizations in the country may hurry forward what supplies they may have on hand and may increase the numbers of surgical dressings to be sent to the front.

COLD CAUSE HEADACHES

LAXATIVE BROMO QUININE removes the cause. Used the world over to cure a cold in one day. The signature of E. W. GROVE is on each box. Manufactured by the PARIS MEDICINE CO., St. Louis, U. S. A.

SENATOR LANE OF OREGON IS DEAD

Former Mayor of Portland and Personally Most Popular Citizen of His State

(Associated Press By U. S. Naval Communication Service)

SAN FRANCISCO, May 24.—Dr. Harry Lane, junior United States senator from Oregon, died here last night.

Senator Lane, who was a native of the State he represented in the senate, was elected in January, 1913, and his term would, therefore, have expired March 4, 1918. Like Senator Chamberlain, the senior senator from Oregon, Lane, though a Democrat, was elected by a Republican legislature. At the November election preceding the session of the legislature he received the largest popular vote, indicating that the people wanted him to represent them in the senate, and the legislature acted in compliance with this popular demand.

Previous to his election Lane served two terms as mayor of Portland, Oregon. Before that he practiced medicine in that city. He also served in congress as a member of the lower house.

YANKEE ENGINEERS REACH EUROPE FOR THEIR WAR WORK

(Associated Press By U. S. Naval Communication Service)

LONDON, May 24.—The first of the strictly military units of the United States to reach Europe for the war arrived yesterday and were given an enthusiastic reception by the officials and the engineers generally. These are the first of the engineers' regiments for transport and railroad construction work back of the lines of the Allies in France, composed of expert railroaders and civil engineers, under the command of United States regulars of the Engineer Corps. The detachment which reached here yesterday was under the command of Major Parsons.

Accompanying the engineers were the members of the second unit of the American hospital contingent on their way to the British front. The physicians and nurses of this unit were yesterday received by King George and Queen Mary, who welcomed them in the name of the British people. The reception was informal, King George and his Queen shaking hands with each of the Americans and confiding with them.

JAPANESE NAVY IS ON THE JOB

(Special Cablegram to Hawaii Shiping.)

TOKIO, May 24.—The official papers have formally announced the share the navy of Japan is now taking in combating the German submarine blockade and raiders. The squadron under Rear Admiral Ogari is engaged in patrol duty in the North and South Indian Oceans; a squadron under Rear Admiral Sato is cruising in the Mediterranean, west of another under Rear Admiral Yamagi is detailed to patrol duty in the South Atlantic.

DUTCH SHIPS TAKEN OVER BY GOVERNMENT

(Associated Press By U. S. Naval Communication Service)

THE HAGUE, May 24.—Twenty-two Dutch ships have been requisitioned by the minister of agriculture of Holland and will be sent to the United States to bring 100,000 tons of grain. Many Dutch vessels are lying idle in the harbor of this country, their owners having withdrawn them from active service on account of fear of losing them through the German submarine frightfulness campaign.

RUSSIA WILL FIGHT FOR PERMANENT PEACE

(Associated Press By U. S. Naval Communication Service)

HAVRE, May 24.—Baron Beyens, the Belgian foreign minister, has received a telegram from Foreign Minister Tseretkoff of Russia greeting Belgium cordially and declaring: "Russia will continue to pursue the war with no purpose of conquest and in no spirit of envy, but to assure all nations the right to shape their own affairs, and to secure a peace guaranteeing against new attacks."

GOOD WEATHER IS HELPING THE CROPS

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—The crop outlook throughout the country is improving with every day of the decidedly fine weather that is now prevailing, according to the reports received from all over the agricultural sections from the official observers for the department of agriculture.

AMERICAN DESTROYERS PLAY IMPORTANT PART IN DESTROYING PIRATES

Win Official Praise From British Admiralty For Enterprise and Acumen of Crews

(Associated Press By U. S. Naval Communication Service.)

LONDON, May 24.—That the help of the American destroyer flotilla in hunting down and destroying the German submarine blockaders of the British coast is proving most acceptable and valuable was officially stated yesterday by the admiralty officials to the representative of the Associated Press. Leading officers at the admiralty, while giving no intimation of the special work of the American sailors, freely stated that they are playing no small part in the effective work that is now going on.

The British naval officers are enthusiastic in their praise of the American officers and sailors who man the destroyer squadrons. They are, say these officers, showing a great enthusiasm and a spirit of enterprise which is as gratifying to the British as it is no doubt disconcerting to the commanders of the submarines, while the acumen and quickwittedness of the Americans is making their assistance more than valuable.

That the work of destroying the submarines is proceeding with more success than for some time past is evidenced by the greater degree of safety with which the ships in and out of British ports are proceeding. Either the submarines are being greatly reduced in number or effectiveness, or the measures now taken against them have frightened the underwater fighters away.

For the week ending Tuesday night, according to the official announcement made yesterday, only eighteen British ships had been sunk, only those of 1600 tons or over being included in the list given out. This is a greatly diminished number over those destroyed a few weeks ago.

MEXICAN LABOR TO HELP THE FARMERS

President Suspends Immigration Provisions To Help Meet Farm Hand Shortage

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—In order to provide against any possible shortage of farm labor to bring to maturity and harvest the crop of the United States, President Wilson yesterday issued an order permitting the admission into this country of Mexican aliens who would otherwise be barred by the literacy test provided for in the Immigration Act of the last congress.

The President also suspended, so far as Mexico is all-concerned, the contract labor laws and it is now permissible to bring them into this country under contract.

Reports from all parts of the country indicate that there is already a shortage of farm laborers, and it is feared that the conscription law, which will call into military service soon half a million young men, will render the situation serious.

An agitation is going on in various parts of the country to have the Chinese Exclusion Act suspended during the period of the war so as to permit of a large number, possibly half a million, Chinese laborers being brought in to the country to take the place of unskilled laborers withdrawn for military service.

The Chinese Six Companies, of San Francisco, has made a proposition to the government to bring in half a million Chinese, or as many as may be needed, under guarantee that they will be deported after the war, if so desired.

FRENCH COMMISSIONERS HAVE RETURNED HOME

(Associated Press By U. S. Naval Communication Service)

PARIS, May 23.—General Joffre and M. Viviani, of the French commission, arrived at Brest last night from the United States.

FORT SAM HOUSTON ON WATER WAGON

(Associated Press By U. S. Naval Communication Service)

SAN ANTONIO, Texas, May 24.—For the first time since the establishment of Fort Sam Houston many years ago it was impossible yesterday to obtain intoxicating liquors at the two officers' clubs there.

General Parker, commandant of the fort, issued an order forbidding any members of the garrison to have liquor in his possession in the future. The order also limits the sale of liquor at the fort and at Camp Wilson, near here.

A GOOD RULE FOR THE HOME.

Make it a rule of your home to always keep on hand a bottle of Chamberlain's Colic, Cholera and Diarrhoea Remedy as a safeguard against bowel complaints. It always cures promptly and no household is safe without it. For sale by all dealers, Benson, Smith & Co., agents for Hawaii.

BRAZIL PREPARES TO ENTER WAR

Declaration Against Germany Is Only a Matter of Few Days More

(Associated Press By U. S. Naval Communication Service)

WASHINGTON, May 24.—That Brazil will enter the war on the side of the United States against Germany is regarded here now as a foregone conclusion. The latest destruction of the Brazilian steamer Tijuca by a German submarine, with the loss of a large part of the crew, has capped the climax for Brazil, and that nation is now actively preparing for hostilities. The formal declaration of war is believed to be now merely a matter of a few days.

Brazil can be of material assistance in the war. While the total peace strength of the Brazilian army is less than 25,000 men, the country has been under a compulsory service law for years, and an army of half a million trained men could be put into the field in quick order. The fleet includes twenty modern destroyers and torpedo boats.

AMERICAN RED CROSS CAMPAIGN

Nationwide Appeal For Funds To Be Made By Biggest Men In the Country

(Associated Press By U. S. Naval Communication Service)

NEW YORK, May 24.—The most extensive appeal to American generosity ever organized is to be made on behalf of the American Red Cross, according to an announcement made here last night by Cleveland H. Lodge and Stewart Prosser, two of the most prominent men in financial circles in the United States.

Mr. Lodge and Mr. Prosser, in announcing the plans to aid the Red Cross, stated that the biggest men in the country in all walks of life have been enlisted in the work and are enthusiastically assisting in the preliminary work. The appeal for aid for the Red Cross will be nationwide, and those back of it expect an unexampled response on the part of the American people.

COUNT TISZA, PREMIER OF AUSTRIA, RESIGNS

(Associated Press By U. S. Naval Communication Service)

LONDON, May 24.—A despatch to the Central News Agency from Amsterdam says that the Hungarian cabinet and premier, Count Tisza, have resigned. Count Tisza for years has been the leader of the pro-German party. A Budapest telegram, by way of Amsterdam, reports that Count Tisza has submitted to the king proposals for franchise reforms for Hungary.